14. RISK MANAGEMENT

14.1. INTRODUCTION

The CLCS risk management process is designed to ensure the early exposure and identification of risk so that favorable mitigation plans can be developed before the identified risk can impact the project. The methodology to continually track progress especially in areas where identified risks are present is essential for effective risk management. This allows for timely execution of mitigation plans, which is the tool for monitoring the selected alternatives in the risk mitigation process. This approach supports sound project management decisions and promotes open discussion among our teammates.

14.2. OVERVIEW

CLCS follows a continuous risk management process as shown in Figure 14-1.

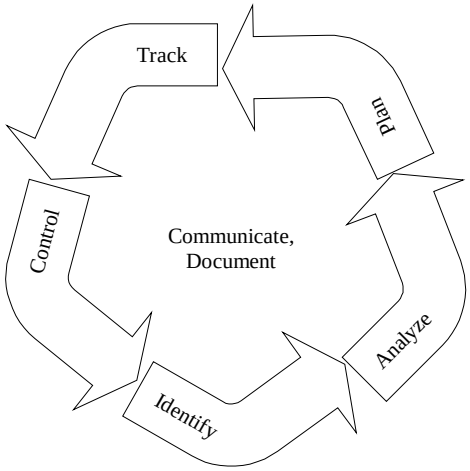

Figure 14-1 Risk Management Process

This process begins with risk identification and an assessment of potential project constraints. The risk management process continues with risk analysis, planning, tracking, and control.

1) Identify. State the risk in terms of condition and consequence(s); capture the context of the risk; e.g., what, when, where, how, and why.

(2) Analyze. Evaluate risk probability, impact/severity, and timeframe (when action needs to be taken); classify/group with similar/related risks; and prioritize.

(3) Plan. Assign responsibility, determine approach (research, accept, mitigate, or monitor); if risk will be mitigated, define mitigation level (e.g., action item list or more detailed task plan) and goal; execute plan.

(4) Track. Acquire/update, compile, analyze, and organize risk data; report tracking results; and verify and validate mitigation actions.

(5) Control. Execute the control decisions. Analyze tracking results, decide how to proceed (replan, close the risk, invoke contingency plans, continue tracking

14.3. ORGANIZATION ROLES & RESPONSIBILITIES

Process Owner: The SEIT is the CLCS Risk Management process owner and is responsible for the process definition and management.

Risk Identification: CLCS project customer and all members of the project are responsible for the identification of potential project risk.

Risk Analysis: The SEIT is responsible for assigning each risk an owner. The risk owner is responsible for the risk analysis and assessment. The assessment will include the definition of the impact and likelihood.

Plan: The risk owner is responsible for recommending strategies to help mitigate the impact of the risk, and if appropriate, defining metrics to be used to measure the effectiveness of the mitigation plan. The SEIT will review the risk analysis, approve the mitigation strategies and define status-reporting requirements. The SEIT will also recommend liens, if any, to be placed against the project APA. The Project Manager is responsible for approving all liens against the APA.

Track: The risk owner is responsible for implementing the mitigation plan, collecting associated metrics, evaluating the effectiveness of the plan, recommending changes to the mitigation plan and providing status reporting to the SEIT.

Control: The SEIT will evaluate the effectiveness of the mitigation plan and any recommended re-plans. The SEIT will also recommend that liens against the APA be released or committed. The Project Manager will be responsible for releasing the lien or committing the project reserves.

14.4. PROCESS DETAILS & DOCUMENTATION

For detailed description of the CLCS Risk Management process and documentation reference KDP–P-2432.

14.5. RESOURCES AND SCHEDULE

The SEIT organization has allocated resources to manage the risk process and maintain the risk database. Product group managers are responsible for providing the resources to manage the risks that they are responsible for. The SEIT will convene the risk management team on a monthly basis (more frequently when required)

14.6. DOCUMENTATION OF RISKS

Risks are documented using the project CLCS Risk Assessment Form (KDP-F-2432). The information from the form is stored in a database that is accessible from the project web page. The SEIT maintains configuration control of the database.

14.7. METHODOLOGY

The project iteratively reviews and negotiates scope with its customers in order to identify both optimum and minimum project requirements (ref: CLCS System Level Specification (84K00200)).